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Director of  
Central  
Intelligence

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*Thursday  
6 March 1980*

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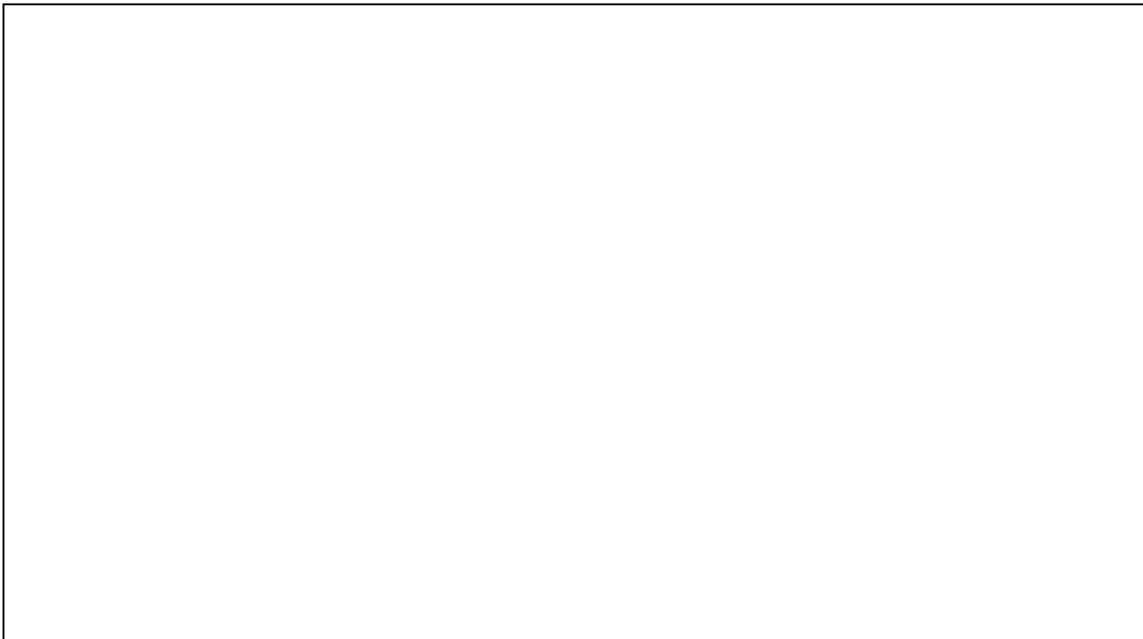
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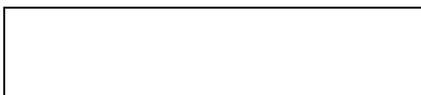


**Contents**

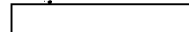


**Special Analysis**

**Iraq-USSR: *Deteriorating Relations* . . . . . 9**



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**6 March 1980**

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## SPECIAL ANALYSIS

### IRAQ-USSR: Deteriorating Relations

[ ] CIA

*The Soviet move into Afghanistan has strengthened Iraqi suspicions of the value of a close alliance with the USSR. It has also given substance to Baghdad's fears, initially aroused by the US-Iranian confrontation, that increased superpower competition in the Persian Gulf area would spoil Iraq's chances of replacing Iran as the dominant regional power.* [ ]

Signs of a cooling in Iraqi-Soviet relations have been visible for several years. The growing Soviet involvement in Ethiopia and South Yemen, coupled with Baghdad's harsh repression of the Iraqi Communist Party, have long been irritants in the relationship. [ ]

Third World and Islamic reaction to the Soviet invasion is accelerating the rate at which relations are deteriorating. Iraqi President Saddam Husayn is engaged in a vigorous effort to build Iraq's prestige in the Nonaligned Movement, and if moderate members of the Movement succeed in their push for a plenary session on Afghanistan, Iraq may be forced once again to take a prominent anti-Soviet stance. [ ]

Similarly, the pan-Arab charter Saddam Husayn recently proposed is aimed as much at limiting the Soviet military presence in Arab countries as it is at preventing the establishment of US bases. If the charter is approved by the Arab League, political and economic sanctions could be invoked against South Yemen, where the Soviets maintain important naval and air facilities. The charter would also provide Syria further excuses to turn aside periodic Soviet requests for port facilities. [ ]

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[ ]  
6 March 1980

~~Top Secret~~

### Economic and Military Relations

Soviet exports to Iraq have risen sharply in the last four years and Iraq has large outstanding commercial contracts with the USSR--especially for electric power--which will mean continued economic activity in the next several years. [ ]

Baghdad, however, is dissatisfied with the performance of Soviet and East European contractors, and its greater financial capability is enabling it to tap US companies and other Western sources of advanced technology and expertise. [ ]

Baghdad remains militarily dependent on the USSR, largely because of Iraq's large inventory of Soviet military equipment. Since 1975, however, Iraq, with its burgeoning oil revenues, has ordered about \$3 billion in Western military equipment, mostly from France. [ ]

This trend has accelerated since the invasion of Afghanistan. In February, Iraq signed a letter of intent to buy naval ships costing \$1.9 billion from Italy, and Baghdad apparently is considering buying more fighter aircraft from France. The Iraqis are also trying to secure spare parts and maintenance services for their Soviet equipment from Yugoslavia, Romania, and India, which all import significant quantities of Iraqi oil. [ ]

Rumors that Iraq was considering abrogating its 1972 friendship treaty with the USSR led the Soviets to warn last month that "hostile acts" by Iraq would lead to a reduction in the flow of Soviet military assistance. Denial of military spare parts alone would have serious consequences for the Iraqi armed forces. Nevertheless, Saddam Husayn may be more willing now than in the past to risk a disruption in Soviet arms deliveries; the Iranian military is in disarray and Syria is preoccupied with Israel and Lebanon. [ ]

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6 March 1980

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### Prospects

Iraq is likely to continue its drift away from the USSR toward more genuine nonalignment. Baghdad will probably:

- Continue pursuit of an Arab leadership role.
- Seek to restore stable relations with Iran.
- Continue efforts to increase Iraqi prestige in the Nonaligned Movement (Baghdad will succeed Cuba as leader of the Movement in 1982).
- Develop closer ties with Western Europe and Japan and consider strengthening relations with China. ☐

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6 March 1980